



27 October 2006

SEPTEMBER 2006 QUARTERLY REPORT

HIGHLIGHTS

- **Airborne VTEM survey scheduled for early November 2006 in the Pilbara.**
- **First new gold system identified at Gidgee – aircore drilling continues.**
- **Multiple zinc-mineralized layers identified at Mt Gibson.**

1. Pilbara Project

Legend Mining Limited (Legend) has contracted Geotech Airborne Ltd to fly four electromagnetic surveys in the West Pilbara in early November 2006 targeting copper-zinc and nickel deposits. Legend's land position and the planned survey areas are shown in Figure 2.

The surveys are to be conducted using the helicopter-supported Versatile Time-Domain Electro Magnetic system (VTEM), which has an impressive track-record of mapping sulphide ore systems in the West Pilbara, including the West Whundo, Whundo and Ayshia deposits of Fox Resources Limited (Fox).

The VTEM system can identify conductors within 300m of the surface and in November will survey three priority opportunities, including extension to the felsic-mafic volcanic sequence known to host copper-zinc orebodies at Whundo, extensions to the nickel-mineralized Ruth Well komatiitic volcanics, and the entire nickel-PGE mineralized Dingo mafic-ultamafic intrusive complex.

Legend holds rights through granted tenements, tenement applications and joint venture agreements over 700km² of the West Pilbara. Legend is currently working to expedite the grant of exploration licences, and will commence the drill testing of electromagnetic anomalies subject to the grant of title. Legend and Fox independently control a dominant portion of this emerging and exciting base metal district.

2. Gidgee Project

The Castor, Helios, and North Splay Target Areas (Figure 3), which are located towards the northern end of the Gum Creek Greenstone Belt, are currently being evaluated by first-pass, broad-spaced (800-640m by 160m – average depth 60m) aircore drilling in areas where the geology is interpreted to be favourable for the formation of large gold deposits.

This drilling has led to a substantial improvement in the definition and understanding of the basement geology beneath the thin alluvial cover. Most significantly, gold anomalism is now known to be associated with altered (quartz-sericite-pyrite) shears and faults that have refracted around recently discovered, elliptical, diorite-granodiorite intrusions, a favourable structural setting in which to find large gold deposits.

A gold system (Hunter) defined by a 1.28km zone of plus 0.1g/t Au has been identified along one of these structures (Figure 4). Significant anomalous intersections are tabulated below (Table 1) and include 8m at 1.05g/t Au from 32m in hole LORA-034, 4m at 1.64g/t Au from 16m and 4m at 2.37g/t Au from 32m in hole LORA-042, and 12m at 1.89g/t Au from 24m in hole LORA-051. While these results are not ore-grade they begin to characterize a group of important structures that have the potential to host more gold systems further to the south.

Drilling in the current program will continue until late-November. Assays have been received for 22,000m of drilling and assays are awaited for a further 16,000m of drilling, leaving approximately 22,000m of aircore drilling to be completed before year-end.

Legend is encouraged by the results to date and plans to conduct infill drilling to improve the resolution of new gold systems as they are identified concurrently with the expansion of the broad-spaced, first-pass drilling coverage. Upon the completion of this drilling, Legend will be well positioned to comment on the future potential of the northern end of the Gum Creek Greenstone Belt.

3. Mt Gibson Project

The initial eight hole exploration program supports the premise that Mt Gibson represents a large, fertile mineral system with potential to host a base metal orebody. The predictive geological model developed as a result of the recent drilling has identified important trends (vectors) to new opportunities within this large base metal system.

Zinc sulphide is associated with five laminated cherty metasediments intercalated with mafic and intermediate volcanics. Better base metal results from the eight hole diamond drilling program are tabulated below (Table 3), and include 0.5m at 3.48% zinc in hole LMGD-004, 2.3m at 2.65% zinc from 486.7m and 0.2m at 6.84% zinc from 718.8m in hole LMGD-008. While these intersections are not ore-grade, they substantially increase the area of known zinc sulphide mineralization and indicate an overall improvement in the base metal system towards the north.

High-grade, gold-bearing quartz veins have also been intersected in several of the diamond holes. The better results are tabulated below (Table 4) and include 1m at 17.6g/t Au from 446m in hole LMGD-002, 1m at 47.9g/t Au from 202m in hole LMGD-003, 3m at 37.0g/t Au from 716m in hole LMGD-005 and 1m at 19.8g/t Au from 495m and 1m at 18.8g/t Au from 709m in hole LMGD-007.

The greatest potential for the discovery of a zinc sulphide orebody is interpreted to lie to the north of Legend hole LMGD-004 (Figure 5) within the 6.0km-long section of dominantly undrilled volcanic stratigraphy. An expansion of the drill coverage, supported by airborne Versatile Time Domain Electro Magnetics (VTEM) to discriminate discrete conductors, is currently being evaluated along with other value creation opportunities.

The wide-separation of adjoining drill holes makes it difficult to develop a predictive geological model for the gold-bearing veins. A drill program to test the relatively flat-lying, high-grade, gold-bearing quartz veins is being considered with a view to identifying a possible underground mining opportunity.

4. OPERATIONS

Both the mining and processing operations at the Mt Gibson and Gidgee Projects remain on care and maintenance.

5. CORPORATE

Directors Invest Further in Legend

In an on-market transaction on the 21 September 2006, Mr Mark Wilson (Managing Director) purchased 10,000,000 fully paid Legend shares (Shares), and in off-market transactions on the same date, sold 1,000,000 Shares to each of Mr Michael Atkins (Chairman), Mr Robert Perring (Executive Director-Technical) and Mr Dermot Ryan (Non-Executive Director) and 100,000 Shares to Mr Tony Walsh (Company Secretary).

Handwritten signature of Mark Wilson, consisting of the initials 'M.W.' followed by a stylized flourish and a horizontal line.

Mark Wilson
Managing Director
27 October 2006

For more information please contact:

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Mr Bob Perring
Technical Director
Legend Mining Limited
Ph: (08) 9212 0600

The information in this announcement that relates to Exploration Results has been reviewed by Mr Robert Perring, a Member of the Australian Institute of Geoscientists, whose services are provided by Quadramin. Mr Perring has sufficient relevant experience in the styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.

**Table 1:
Gidgee Project - Aircore Assay Results Summary**

Only intervals assaying at or above 0.5g/t Gold (Au) are listed.

| Hole Number | North (MGA-94) | East (MGA-94) | From (m) | To (m) | Interval (m) | Au (g/t) |
|-------------|----------------|---------------|----------|--------|--------------|----------|
| LGCB-023 | 7027280 | 733300 | 32 | 36 | 4 | 0.67 |
| LGCB-025 | 7027280 | 733100 | 28 | 32 | 4 | 1.02 |
| LHNA-003 | 7017320 | 731120 | 4 | 8 | 4 | 4.44 |
| LJGA-013 | 7018600 | 733480 | 52 | 56 | 4 | 0.58 |
| LKFA-031 | 6779371 | 741221 | 44 | 48 | 4 | 0.58 |
| LKFA-032 | 6979284 | 741093 | 44 | 48 | 4 | 0.61 |
| LORA-034 | 7018600 | 729800 | 32 | 40 | 8 | 1.05 |
| LORA-041 | 7018600 | 730500 | 24 | 28 | 4 | 0.85 |
| LORA-042 | 7018600 | 730600 | 16 | 20 | 4 | 1.64 |
| LORA-042 | 7018600 | 730600 | 32 | 36 | 4 | 2.37 |
| LORA-051 | 7018600 | 730550 | 24 | 36 | 12 | 1.89 |
| LORA-051 | 7018600 | 730550 | 56 | 60 | 4 | 0.60 |
| LORA-072 | 7019240 | 730900 | 32 | 36 | 4 | 1.10 |

All holes drilled vertically. Sampling based on nominal 4m composites from aircore drill cuttings collected for each metre drilled. Gold (Au) determined by aqua regia digest (40g charge) with ICP-MS finish. Samples assayed at Ultra Trace Pty Ltd, Perth.

**Table 2:
Mt Gibson Project - Completed Diamond Drill Holes**

| Hole Number | North (MGA94) | East (MGA94) | Hole Angle and Direction (Magnetic) | Final Depth (Metres) | Percentage of Hole Sampled for Assay |
|--------------|---------------|--------------|-------------------------------------|----------------------|--------------------------------------|
| LMGD-001 | 6711025 | 517385 | 58° to 303° | 887.3 | 47% |
| LMGD-002 | 6710013 | 516870 | 56° to 303° | 756.3 | 64% |
| LMGD-003 | 6709437 | 516723 | 50° to 303° | 789.3 | 56% |
| LMGD-004 | 6711730 | 517574 | 59° to 303° | 684.6 | 51% |
| LMGD-005 | 6708323 | 516358 | 65° to 273° | 750.6 | 62% |
| LMGD-006 | 6707720 | 516610 | 60° to 273° | 477.5 | 30% |
| LMGD-007 | 6710601 | 517125 | 61° to 303° | 780.3 | 83% |
| LMGD-008 | 6713267 | 517762 | 65° to 123° | 852.4 | 47% |
| TOTAL | | | | 5978.3 | |

**Table 3:
Mt Gibson Project – Diamond Core Base Metal Assay Summary**

Only intervals assaying above 0.5% Zinc (Zn) and/or 0.5% Lead (Pb) are listed.

| Hole Number | From (m) | To (m) | Interval (m) | Zinc (%) | Lead (%) |
|-------------|----------|--------|--------------|----------|----------|
| LMGD-001 | 289 | 292 | 3 | 0.73 | |
| LMGD-001 | 299 | 300 | 1 | 0.54 | |
| LMGD-001 | 303 | 305 | 2 | 1.35 | |
| LMGD-002 | 266 | 267 | 1 | 0.75 | |
| LMGD-003 | 488 | 488.25 | 0.25 | 0.70 | |
| LMGD-004 | 82 | 82.3 | 0.3 | 1.60 | |
| LMGD-004 | 106.75 | 107.25 | 0.5 | 3.48 | |
| LMGD-004 | 211.6 | 212 | 0.4 | 0.87 | |
| LMGD-005 | 456 | 457 | 1 | 0.70 | 1.15 |
| LMGD-005 | 576 | 578 | 2 | | 0.64 |
| LMGD-007 | 40 | 44 | 4 | 0.53 | |
| LMGD-008 | 486.7 | 489 | 2.3 | 2.65 | |
| LMGD-008 | 718.8 | 719 | 0.2 | 6.84 | |
| LMGD-008 | 796 | 797 | 1 | 0.54 | |

Sampling based on nominal 1m intervals of half-NQ core unless otherwise indicated. Zinc (Zn) and lead (Pb) determined by four acid digest with ICP/OES finish. Samples assayed at Ultra Trace Pty Ltd, Perth.

**Table 4:
Mt Gibson Project – Diamond Core Gold Assay Summary**

Only intervals assaying at or above 5g/t Gold (Au) are listed.

| Hole Number | From (m) | To (m) | Interval (m) | Gold (g/t) |
|-------------|----------|--------|--------------|------------|
| LMGD-002 | 446 | 447 | 1 | 17.6 |
| LMGD-002 | 448 | 451 | 3 | 5.0 |
| LMGD-003 | 202 | 203 | 1 | 47.9 |
| LMGD-005 | 310 | 311 | 1 | 6.8 |
| LMGD-005 | 456 | 457 | 1 | 7.3 |
| LMGD-005 | 517 | 518 | 1 | 5.1 |
| LMGD-005 | 716 | 719 | 3 | 37.0 |
| LMGD-007 | 495 | 496 | 1 | 19.8 |
| LMGD-007 | 709 | 710 | 1 | 18.8 |

Sampling based on nominal 1m intervals of half-NQ core unless otherwise indicated. Gold (Au) determined by fire assay with ICP/OES finish. Samples assayed at Ultra Trace Pty Ltd, Perth.



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Location of Projects

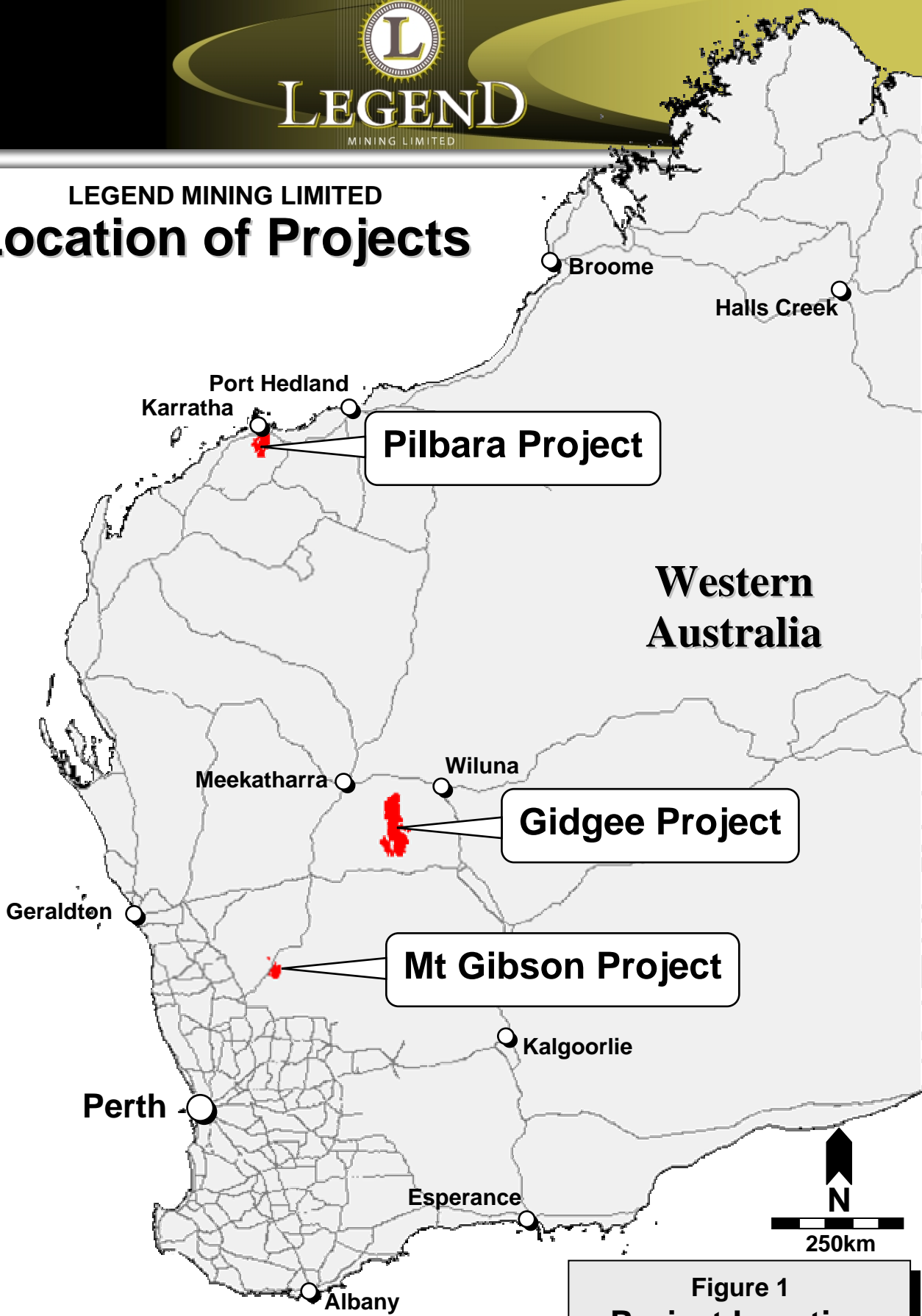
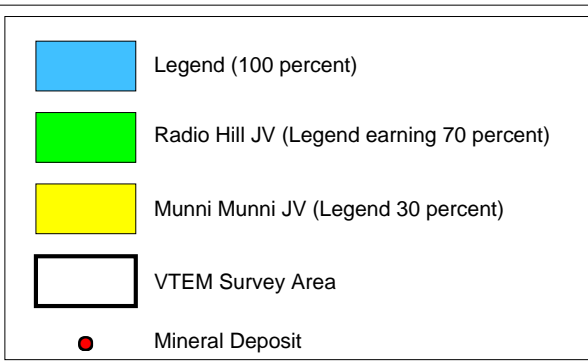
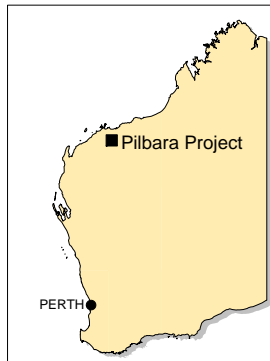
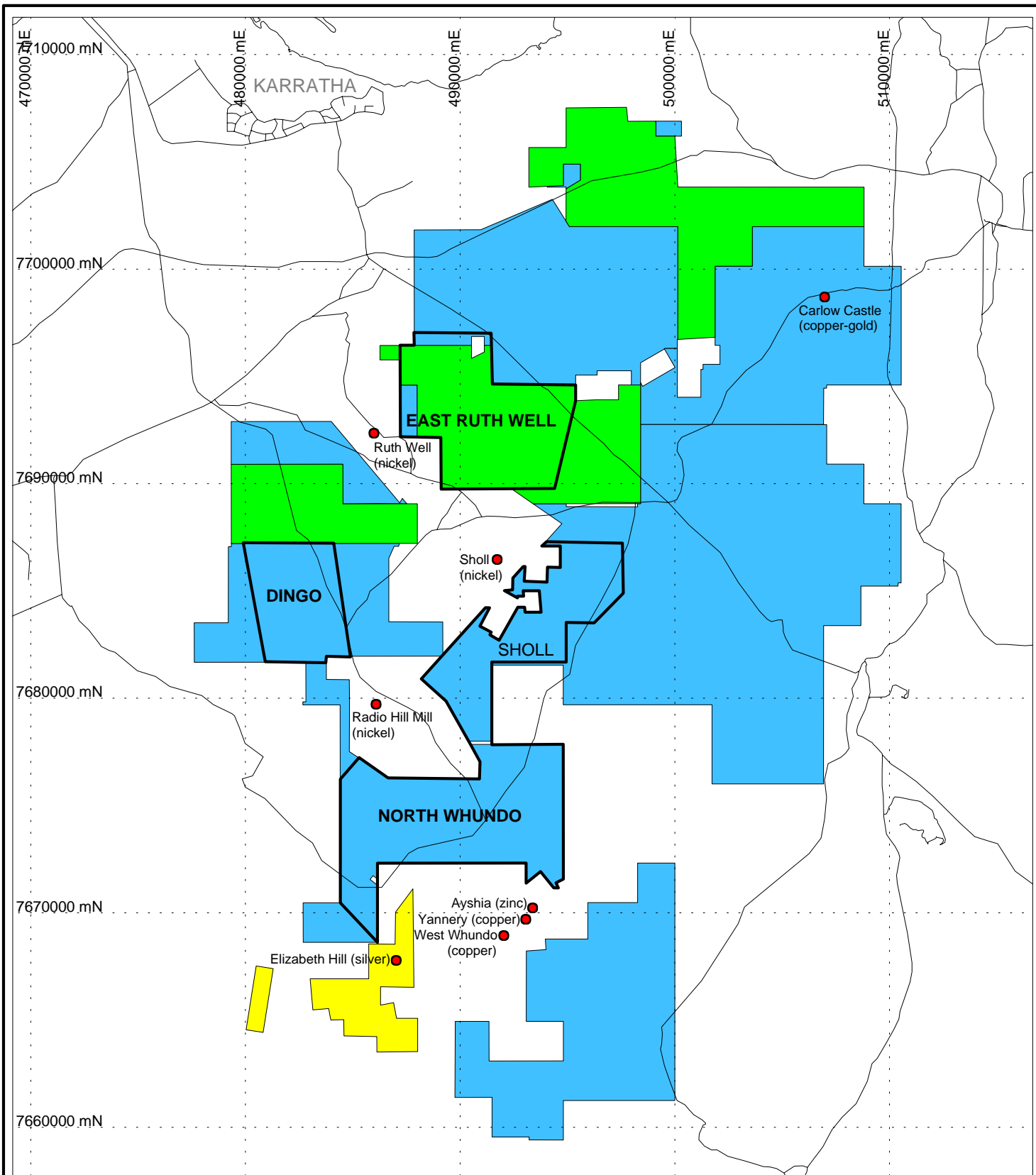
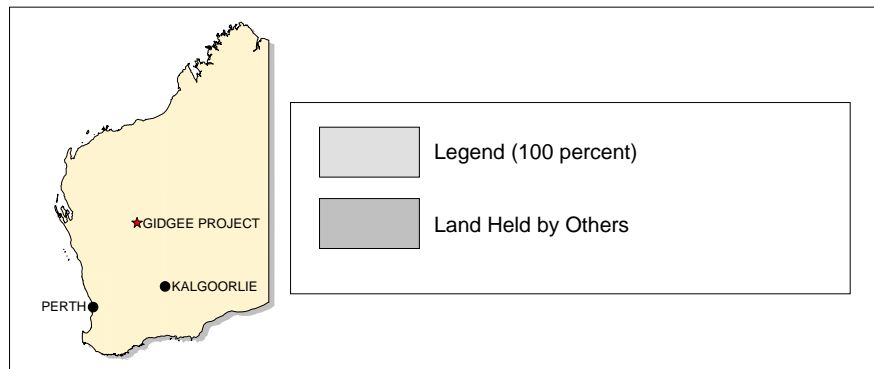
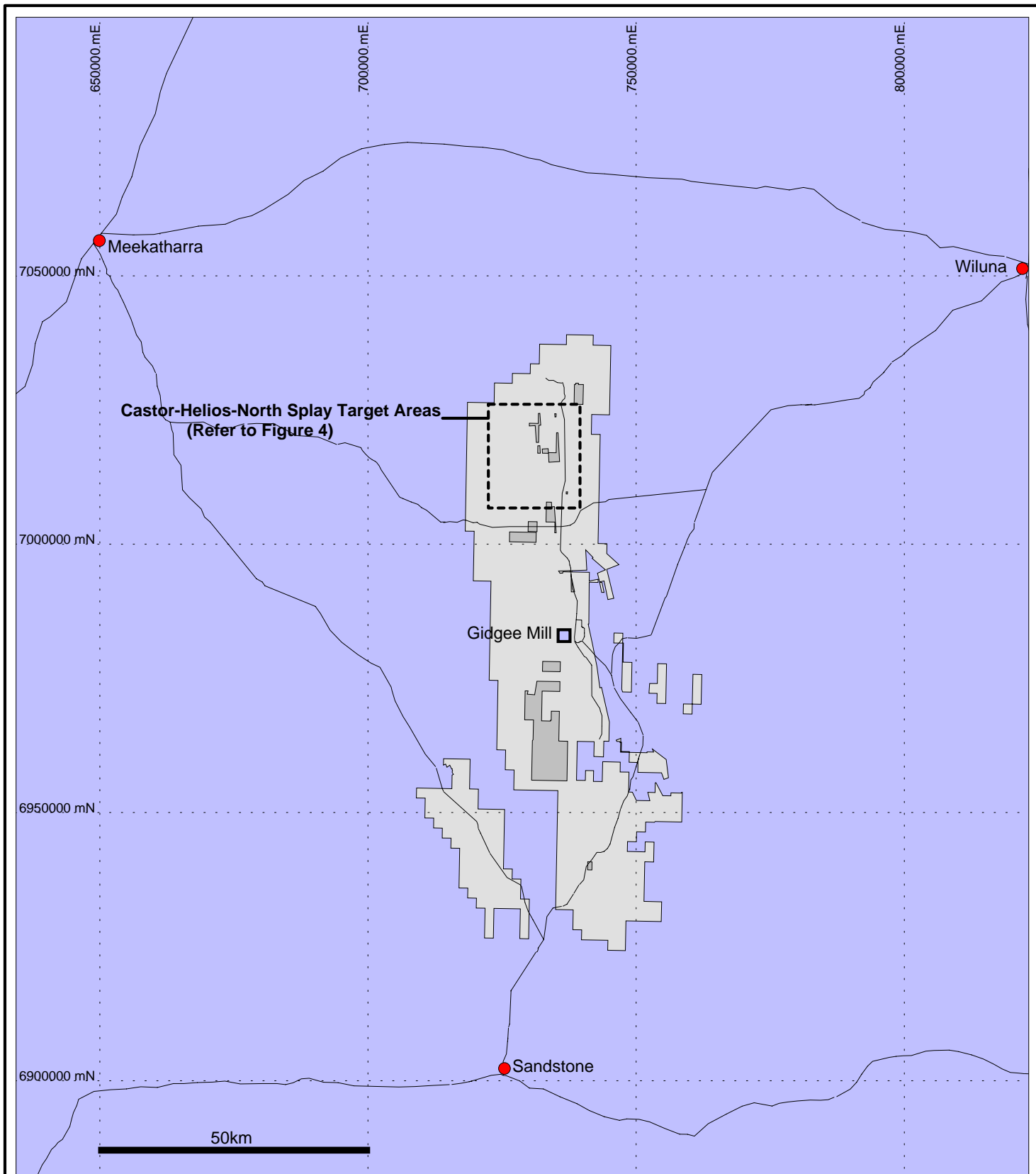


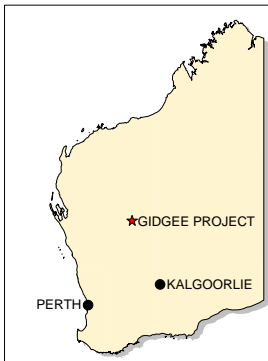
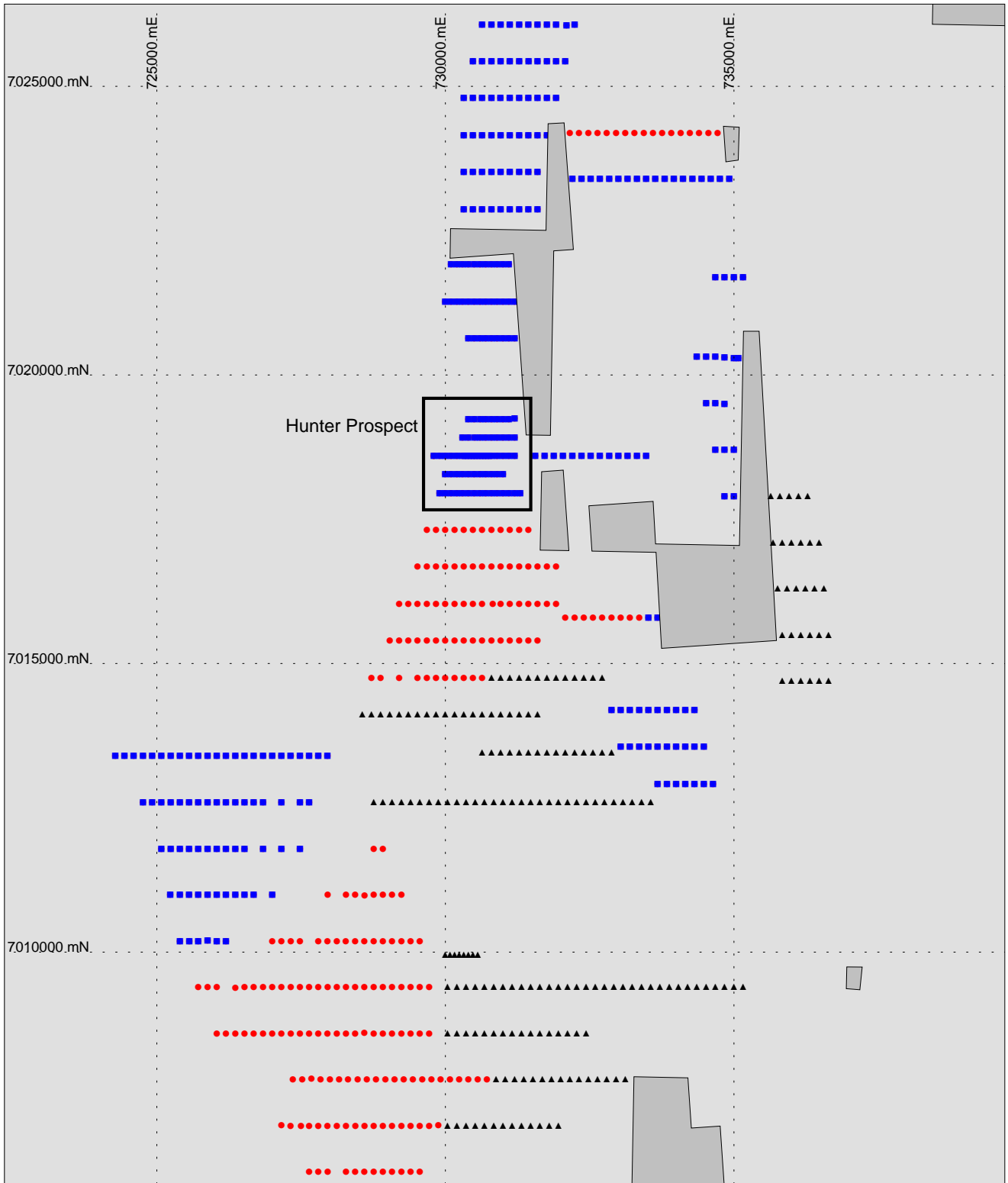
Figure 1
Project Location



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| PILBARA PROJECT | |
| Figure 2 | |
| PROPOSED VTEM SURVEY AREAS | |
| Author: RJP | Scale: 1:250,000 |
| Date: 20 October 2006 | Revised: |
| GDA 94 MGA Zone 50 | |



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| GIDGEE PROJECT | |
| Figure 3 | |
| Gidgee Project Area | |
| Author: RJP | Scale: 1:1,000,000 |
| Date: 20 October 2006 | Revised: |
| GDA 94 MGA Zone 50 | |



- Holes Drilled - Assays Received
- Holes Drilled - Assays Awaited
- ▲ Holes Planned
- Land Held by Others

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| LEGEND <small>MINING LIMITED</small> | |
| GIDGEE PROJECT | |
| Figure 4 | |
| Castor-Helios-North Splay Areas | |
| Aircore Drilling Status | |
| Author: RJP | Scale: 1:100,000 |
| Date: 12 October 2006 | Revised: |
| GDA 94 MGA Zone 50 | |

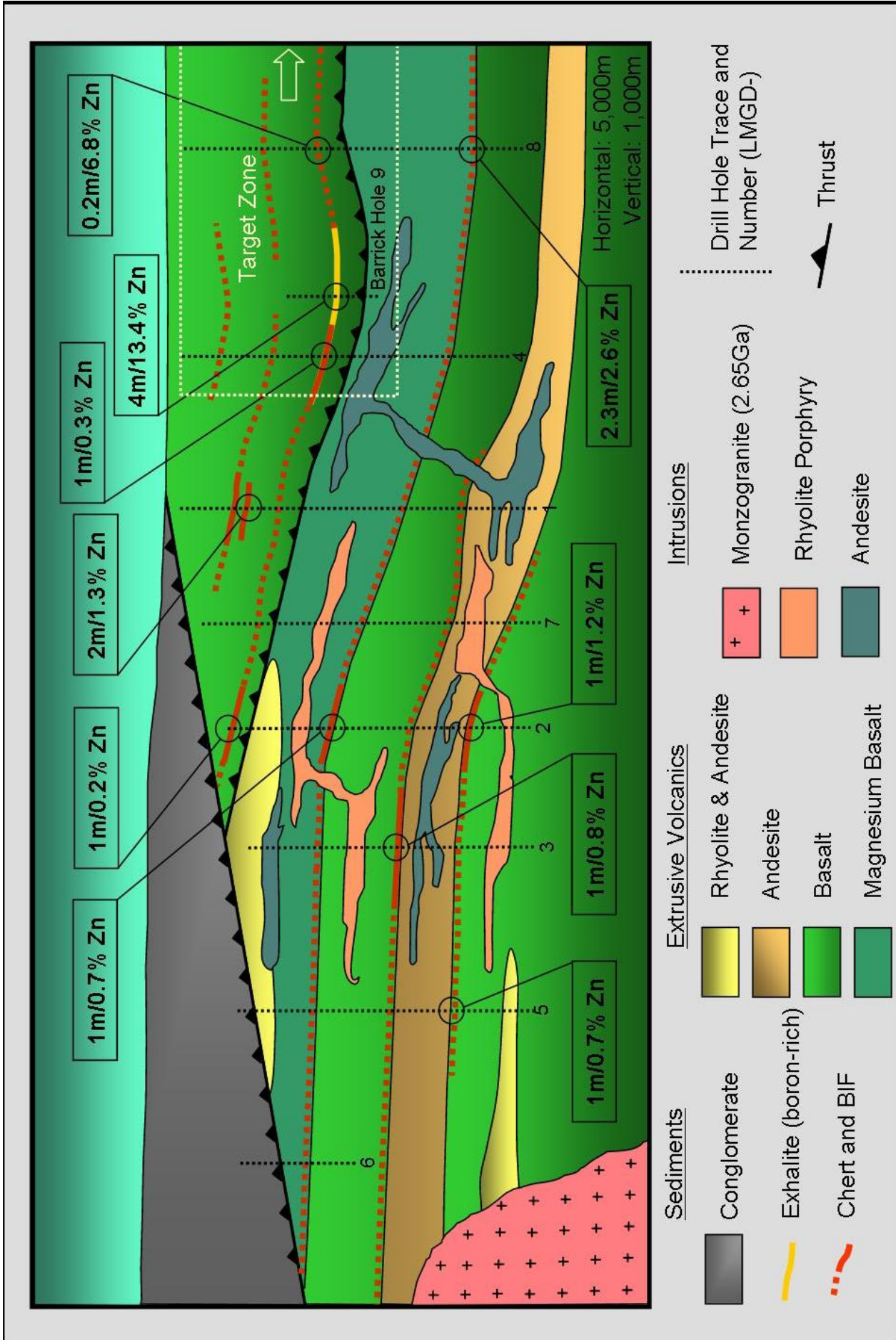


Figure 5 Mt Gibson VHMS System - Geological Model